

HOUSE BILL NO. 26

INTRODUCED BY B. WADDILL

A BILL FOR AN ACT ENTITLED: "AN ACT REDUCING THE SHORTFALL IN GENERAL FUND REVENUE BY REDUCING THE GENERAL FUND APPROPRIATION TO THE CHILD AND FAMILY SERVICES DIVISION OF THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES BY \$100,000; REQUIRING THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES TO UNDERTAKE EFFORTS TO REFINANCE GENERAL FUND SERVICES WITH FEDERAL FUNDS AND EXEMPTING RECEIPT OF FEDERAL FUNDS FOR CERTAIN PURPOSES FROM THE REQUIREMENT THAT GENERAL FUNDS BE DECREASED CORRESPONDINGLY; REQUIRING REPORTS TO THE LEGISLATURE; AMENDING SECTION 17-2-108, MCA, AND SECTION 16, CHAPTER 572, LAWS OF 2001; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. Section 1. Maximizing receipt and use of federal funds. (1) The department shall, as allowed by federal law, maximize the receipt of federal funds.

(2) To effectuate the purposes of subsection (1), the department shall:

(a) designate children in foster care as a target group for medicaid case management and use any federal funds received as a result of this measure to support time spent by social workers in case management;

(b) increase the number of foster care children eligible for Title IV-E of the federal Social Security Act from 50% of children in foster care to 70% of children in foster care; and

(c) initiate an intergovernmental transfer program for medicaid mental health services that will allow the maximum amount of federal reimbursement.

Section 2. Section 17-2-108, MCA, is amended to read:

"17-2-108. Expenditure of nongeneral fund money first. (1) Except for the exemptions applicable to the Montana historical society in 22-3-114(5) and the Montana state library in 22-1-226(5), an office or entity of the executive, legislative, or judicial branch of state government shall apply expenditures against appropriated nongeneral fund money whenever possible before using general fund appropriations.

(2) ~~The~~ Except for funds received as a result of the implementation of [section 1], the approving authority, as defined in 17-7-102, shall authorize the decrease of the general fund appropriation of an agency by the amount of money received from federal sources in excess of the appropriation in an appropriation act unless the decrease is contrary to federal law, federal rule, or a contract or unless the approving authority certifies that the services to be funded by the additional money are significantly different than those for which the agency received the general fund appropriation. If directed by an appropriation act, the approving authority shall decrease the general fund appropriation of an agency by the amount of money received from nonfederal sources in excess of the appropriation unless the decrease is contrary to state law, state rule, or a contract or unless the approving authority certifies that the services to be funded by the additional money are significantly different than those for which the agency received the general fund appropriation. If the general fund appropriation of an agency is decreased pursuant to this section, the appropriation for the fund in which the money is received is increased in the amount of the general fund decrease."

Section 3. Section 16, section B, Department of Public Health and Human Services, Item 2, Chapter 572, Laws of 2001, is amended to read:

"2. Child and Family Services Division (03)
20,339,215 1,269,954 23,954,881 0 0 45,564,050 ~~21,541,204~~ 1,336,670 24,109,036 0 0 46,986,910
21,441,204"

NEW SECTION. Section 4. Implementation deadline -- report to legislature. (1) The department of public health and human services shall implement the provisions of [section 1(2)(a) and (2)(b)] by September 1, 2002, and shall begin the implementation of [section 1(2)(c)] by September 1, 2002.

(2) On or before October 15, 2002, the department shall present to the legislative finance committee the department's management plan to implement the requirements of [section 5].

(3) The department shall report to the 58th legislature the actual and estimated federal special revenue increases for fiscal year 2003 and for the biennium ending June 30, 2005, due to the implementation of [section 1].

NEW SECTION. Section 5. Refinancing -- priority for use of funds made available. It is the intent of the legislature that in fiscal year 2003 state funds that become available for use by the department of public

1 health and human services as a result of the maximization of receipt and use of federal funds due to the
2 implementation of [section 1] be used for the following purposes and in the following order of priority:

- 3 (1) offset a portion of the medicaid coinsurance reduction imposed by department rule;
4 (2) fund direct-care positions and positions needed for service coverage 24 hours a day, 7 days a week;
5 (3) restore mental health drop-in center contracts;
6 (4) restore medicaid outpatient mental health services for foster care and juvenile corrections children;
7 (5) restore mental health day treatment;
8 (6) restore a portion of the cuts in medicaid long-term care benefits imposed by department rule;
9 (7) maintain essential travel for child and adult protective services, foster care, and the disability
10 services division;
11 (8) offset unrealized savings from medicaid waiver requests that will not be approved by October 1,
12 2002;
13 (9) offset emergency dental services reductions imposed by department rule; and
14 (10) restore blind and low-vision services reductions imposed by department rule.

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16 NEW SECTION. **Section 6. Codification instruction.** [Section 1] is intended to be codified as an
17 integral part of Title 53, chapter 2, part 2, and the provisions of Title 53, chapter 2, part 2, apply to [section 1].

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19 NEW SECTION. **Section 7. Effective date.** [This act] is effective on passage and approval.

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